

The complaint

Mr S complains that esure Insurance Limited wrongly gave him the impression he was insured with them to drive a vehicle which was later involved in a road traffic accident.

What happened

Mr S tells us that he contacted esure in March 2022 to buy a multicar insurance policy.

He says that when he paid for the policy, he received a text security message from his bank asking him to confirm that it was a genuine payment that he wanted to make. He replied to say that it was.

It seems the message also said that the payment may have been declined and that he should contact the business he was paying (esure) to find out whether he needed to make the payment again.

Mr S says he then – a few hours later – received an email from esure to confirm that he had purchased a new policy, that payment had been made and that he could check the details through their portal.

Mr S says he couldn't access the portal, despite trying to reset the password three times. The following day, he emailed esure to say he couldn't access the portal and tried to ring them several times but got no reply.

Mr S assumed at that point that he was insured to drive the vehicle in question.

Several months later, Mr S was involved in a road traffic accident, for which he was at fault. He was contacted by the police to say that he had been driving without insurance. He was fined £300 and had six penalty points added to his licence.

Mr S has also been pursued for costs by the other parties involved in the accident. He says he's paid one third party (around £5,000) but there's another claim against him for over £40,000. And his own car was damaged in the accident.

Mr S complained to esure, who said they had no record of the policy he said he'd bought. They paid Mr S £150 in compensation for delays in answering his queries and complaint, but said they had no intention of doing anything more for Mr S.

Mr S wasn't happy with that response and brought his complaint to us. Our investigator looked into it and thought esure had acted unfairly towards Mr S.

He said esure should reimburse Mr S for the £300 fine, reimburse him for the payment he'd made to the third party, reimburse legal costs Mr S had incurred in dealing with the third party claims (and add interest at 8% simple on these payments), step in to act as his insurer with any outstanding claims, settle the claim for the damage to Mr S's own vehicle, and pay Mr S a further £3,000 in compensation for his trouble and upset.

esure disagreed and asked for a final decision from an ombudsman. They think it was Mr S's responsibility to ensure that he had insurance for the vehicle.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The facts are largely undisputed here. esure accept that Mr S tried to buy a multicar policy on the relevant date in March 2022. And they accept he was sent an email confirming that the policy was in place.

It's worth quoting that email, which was headed "*Payment Confirmation*", and which said:

"Thank you for buying esure Multicar insurance.

Your payment has been confirmed. Your policy number is XXXXXXXXX, and your cover starts on 16/03/2022 at 14:37...."

It's important to note that the email quoted above arrived with Mr S *after* the text security message from his bank which advised that he might want to check with esure whether the payment had gone through.

It appears Mr S then tried to access the portal several times - and tried to ring esure several times over the next day or so – to access his policy documents.

However, I don't think it was unreasonable for Mr S to assume he was insured, given the nature of the email he received from esure. The heading of that email says quite directly that it's confirming payment.

The email then goes on to thank Mr S for buying the policy, gives him a policy reference number, says exactly when cover starts and says, again, that payment has been confirmed.

I'm satisfied that Mr S believed himself to be insured up until the police contacted him after the accident. And I'm satisfied that wasn't an unreasonable assumption given the communications he'd received from esure.

I note that there was no further communication from esure to tell Mr S that his payment hadn't gone through – and/or that their earlier email had been entirely misleading.

In my view then, whilst Mr S might have done more to check his policy details in March 2022, he was entitled to believe that he was insured. And it was esure's error that misled Mr S and ultimately caused him to be driving without insurance.

For the sake of completeness, I should say that Mr S – at the relevant time – had another policy with esure to cover a different car. Esure have sent us several documents relating to the other policy, but they are irrelevant to the matter in hand.

The important point is that the payment confirmation email sent to Mr S in March 2022 quotes a new and different policy reference number. And, as I say, esure don't dispute that Mr S tried to buy a separate policy in March 2022.

Putting things right

On the basis of the reasoning set out above, Mr S was driving without insurance in August 2022, when the accident occurred, because of esure's errors in the handling of his policy

application in March 2022.

On that basis, I agree with the remedies set out in our investigator's view on this case. These are described above – and I'll set them out again below.

I should say that we can't now affect the penalty points on Mr S's licence. The impact of those penalty points, alongside the degree of stress and anxiety Mr S has experienced through the substantial third party claims in particular, is reflected in the compensation award for Mr S's trouble and upset.

I agree with our investigator that interest at 8% simple should be added to the costs already incurred by Mr S in relation to the accident, given that he's been effectively deprived of that money since paying it out.

My final decision

For the reasons set out above, I uphold Mr S's complaint.

esure Insurance Limited must:

- reimburse Mr S the £300 he paid as a fine for driving without insurance;
- reimburse Mr S for the third party costs he's already paid out (on receipt of proof of payment from Mr S);
- reimburse Mr S for the solicitor's fees he's incurred in relation to the third party claims (on receipt of proof of payment from Mr S);
- add interest to the above payments at 8% simple, calculated from the date Mr S made the payments to the date he's reimbursed by esure;
- settle the claim for Mr S's own vehicle in line with the standard policy terms - esure can reduce the payment by the amount of the standard excess and the premium Mr S should have paid (if Mr S has already paid for any repairs, esure will need to add interest at 8% simple, as above);
- step in to act for Mr S, as if he *were* insured at the relevant time, on any outstanding third party claims;
- pay Mr S £3,000 in compensation for his trouble and upset.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 29 August 2024.

Neil Marshall
Ombudsman